

Improving Public Services in Cumbria



Smart Cumbria

A scrutiny overview of the County Council's NoWcard - transport smartcard system

February 2009

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Summary of the Group's Findings and Conclusions

The Task Group was established by the Economy and Culture Scrutiny Panel at their meeting of 8 December 2008 to with a view to supporting the continued roll out of the NoWard scheme, and investigate the possibility of developing stored travel rights on the County Council's transport smart card system.

During the time-limited review, the Group spoke to a range of people connected to the NoWcard programme including bus operators, NoWcard representatives, programme and project managers, ICT support and local authority public transport officers.

Examples of good practice in other parts with other local authorities were also sought. Information (including pilots) from Yorkshire's smart card travel system called YorCard, and Cheshire County Council's Travel Card system has provided some useful information for members.

From their research the Group noted several key points:

- The award-winning NoWcard – system is regarded as a leading Integrated Transport Smartcard Organisation (ITSO) scheme in England.
- NoWcard has been supported and led by the County Council and has been jointly delivered with three other transport authorities, the travel concession authorities (district and unitary councils) and the bus operators.
- A concessionary travel reimbursement system is now operating and is managed through a Service Level Agreement between the travel concessions authorities and Cumbria and Lancashire County Councils, Blackpool and Blackburn with Darwen unitary authorities.
- Opportunities for extending the use of the NoWcard programme are being explored in Lancashire and it has been proposed that a similar exercise is undertaken to incorporate stored travel rights (STR) on the smart cards for young people.
- This is about the development and implementation of an Integrated Transport Ticketing System. Also in some members' view anything which will reduce the handling of cash (small cash) may be the way forward.
- A further development under consideration is the provision of an integrated bus/rail smartcard (with stored travel rights) for students on the West coast of Cumbria.
- These cards have a capacity to store cash and information in a way which can be used flexibly depending on the support systems. The cash may be used as stored travel rights for use on existing partners' buses with some modifications to administrative systems.
- Opportunities for further applications to the NoWcard are technologically possible but there has to be recognition that any new extension to the current concessionary fare facility as provided to older people and the disabled will first

need to be fully developed, thoroughly trialled and publicised before it can be adopted.

- Partnership Officers were particularly keen to point out that any new developments have to be seen within the context of partnership buy-in with the bus-operators, sufficient financial backing and the necessary technology to deliver the product.
- Any new application of the NoWcard scheme also has to be developed on a business case approach (with a number of options if appropriate). This will need to consider the full research, development and set-up costs, ICT, partnership arrangements, back office support, risks, sustainability, publicity, etc. Above all, consideration of any extended use of the NoWcard, has to be mindful of the cost implications to the authority.
- In the longer-term whilst it would be possible to develop a smartcard with cash carrying capability for a variety of small money transaction purposes (such as purchasing other local authority services - e.g. at libraries or swimming pools), or for traveling and tourist-related journeys, etc., Members were advised that development such as a County "Citizen's" card i.e. the Library function, would itself be a major undertaking in terms of equipment (for all libraries) and costs.
- **SMART technology is not cheap to set up – any future developments need to be seen as part of a medium to long-term vision.**

It is the hope of scrutiny members that from this limited scrutiny review the County Council will continue to build on its investment in the NoWcard system and recognise the tremendous opportunity this presents to deliver modern smart services in Cumbria.

As this report sets out clearly, projects can be delivered incrementally, both by Cumbria and in partnership with the other NoWcard authorities, to target different sectors of the community. However, to deliver on this vision the Council must first embrace a long-term strategy for the development of smart cards whilst recognising the need to identify and allocate the necessary resources, including dedicated staff.

Cllr. Stan Collins
Chairman,
Smart Cumbria – NoWcard Task Group

March 2009

Recommendations

The Task and Finish Group recommend that Scrutiny Management Board put the following recommendations to Cabinet for consideration:

Recommendation 1

Opportunities to extend Smart travel to young people via the NoWcard – transport smartcard with stored travel rights (STR) should be explored as a matter of priority in the form of a pilot exercise in Cumbria.

Recommendation 2

Opportunities to extend the NoWcard – (integrated) transport smart card to include train travel for students should be explored with the train operators with a view to undertaking a trial programme. Potential sources for additional funding should also be sought.

Recommendation 3

A medium and long-term strategy (vision) for the continued development of the NoWcard technology, implementation and support programme, which will include a cash carrying capability for other non-transport services and purchases, needs to be developed jointly with other stakeholders.

Recommendation 4

The first use of the cash carrying facility should be for travel rights to be stored for non-concessionary bus passengers as season tickets and for individual fares.

Recommendation 5

Given the likely timescales for implementation, the county should enter into discussions with the districts and other parking organisations at an early date to examine the use of the stored cash facility to make paying parking charges easier for the citizen and less costly to administer for the parking authority.

Recommendation 6

Opportunities for new sources of funding for the delivery of Smart Cumbria need to be identified as a matter of priority.

1 NoWcard Background and Context

The NoWcard scheme is recognised as the leading Integrated Transport Smartcard Organisation (ITSO) scheme in England, and has recently won an award for innovation at the UKBUS 2008 awards.

- 1.1 At their meeting of 8 December 2008 the Economy and Culture Overview and Scrutiny Panel received a report by the Interim Corporate director – Environment which was presented by the Passenger Transport Project Officer, Cumbria County Council, who explained the County Council's early development work on the Smartcard programme and the subsequent working partnership between the transport authorities of Cumbria and Lancashire.
- 1.2 The NoWcard project was conceived in Cumbria in 2000 and this put in place a smart card system that managed concessionary travel for disabled and older persons on local buses. A concessionary smart card contains an electronic chip which carries the identity of the card holder (a unique serial number), the district of residence and whether they are over 60 or disabled.
- 1.3 NoWcard has been supported and led by the County Council and has been jointly delivered with three other transport authorities, the travel concession authorities (district and unitary councils) and the bus operators. The project has been funded by a combination of government grant, the Local Transport Plan Capital Programme, contributions from the travel concession authorities and the bus operators.
- 1.4 A concessionary travel reimbursement system is now operating and is managed through a Service Level Agreement between the travel concession authorities and Cumbria and Lancashire County Councils.
- 1.5 NoWcard has given the region, and its partners, unrivalled access to information on concessionary travel. It has provided a secure electronic system to reimburse operators for the carriage of concessionary passengers. The system also provided a valuable source of other travel data for analysing performance of contracted local bus services such as full boarding statistics and ticket sales for fare paying passengers as well as travel by concessionaires
- 1.6 Following the decision by the government to implement national free travel (ENCTS) using Integrated Transport Smartcard Organisation (ITSO) compliant smart cards, NoWcard invested further in its bureau service to enable it to issue the new national card to all existing NoWcard holders. *(ITSO has been adopted by Government as its mandatory technical standard for smart card schemes)*
- 1.7 There are a range of smart cards with different levels of capability. The NoWcard has a medium level capability which means that there is capacity to install other applications on the card for example stored travel rights. - This is where the card holder can put money on the card and use it against their bus journeys, saving the need for people to find the right change and carry money to pay for their journeys. Currently a pilot scheme is being run in Preston using this facility specifically aimed at young people.

- 1.8 In Preston/South Ribble, Lancashire County Councils have negotiated with three bus operator (Stagecoach North West, Transdev and Fishwicks) for a 10% commercial discount to be applied to the journeys of those young people taking part in this pilot scheme.
- 1.9 Unfortunately this initial trial did not conclusively demonstrate technical robustness, and therefore a second, more controlled pilot exercise will be arranged for another four-week period during which an attempt will be made to identify and understand the issues. The partnership will not launch any new products before they are confident it will be well received.
- 1.10 In addition to stored travel rights for young people, further facilities that may be considered for incorporation on the NoWcard could include, using smart cards to replace paper season tickets, exploring their use on rail networks, providing concessions to certain target groups for local authority run leisure facilities, and other commercial uses such as car parks, libraries, swimming pools etc. Many of these additional uses would have both financial and technical implications requiring resources and agreement from a number of key partners such as National Parks and District Councils; however the Council may wish to explore these further in future.
- 1.11 Currently in Cumbria, in addition to the NoWcard, the Rural Wheels scheme uses smart card technology with stored travel rights on them. The scheme uses mostly volunteer drivers, small bus operators and taxi firms to provide the service, and passengers pay a set amount per mile with the County Council paying the difference.
- 1.12 The use of smart media for transport and other applications is continuing to evolve. In particular the use of mobile phones to deliver smart ticketing is now developing in this country. Mobile phones use a technology known as Near Field Communication (NFC) that has been trialed by NoWcard on behalf of the DfT, with encouraging results. The use of mobile phones as a tool in passenger transport service development has further applications, for example in the development of Real Time Information systems.
- 1.13 SMART technology is not cheap to set up – although given the long and difficult design and development process which has been gone through and given the ticket machines are already on the buses, this would ease any future initial set up costs.

2 Links to Council and Community Priorities

- 2.1 Within the Council Plan, under the key theme of “Greener” – Creating and protecting a high quality environment for all, the Authority is committed to improving sustainable access to services and facilities.
- 2.2 For this particular theme key objectives include
- maximising the use of public transport
 - Improving transport links and services to improve accessibility to jobs, education and training, health and other key services
- 2.2 The ongoing partnership with Lancashire County Council and the two unitary authorities of Blackpool and Blackburn with Darwen (including bus operators in these areas), is a practical demonstration of each councils’ continued commitment to shared working.

3 Role and Membership of the Task and Finish Group

- 3.1 At the Overview and Scrutiny Panel meeting of 8 December 2008 A paper was presented to the Panel updating Members on the delivery of the transport smart card system (the NoWcard). The Panel agreed to set up a task and finish group to investigate the possibility of developing stored travel rights on these cards focussing initially on young people.
- 3.2 Membership of the Task Group was confirmed as being:
- Councillor D Southward Councillor G Prest
 - Councillor S Collins Councillor C Kitchen
- 3.3 The Task group held its first meeting on 9 January 2009 where, following a broad background presentation, it discussed how best to carry out the review and what the focus of this time limited piece of work should be. Members agreed that Councillor Stan Collins would be Chair of the Group, and that their aims would be to:
- i. support the continued roll-out of the NoWcard scheme;
 - ii. investigate the options for extending this technology for the benefit of the community, the Council and partners;
 - iii. identify the possibilities and options for delivering schemes within the NoWcard framework, and the implications, costs and benefits of doing this;

- iv. ensure that the vision for Smart Cumbria is going to deliver the Council's aims as well as being realistic and achievable within the technology and resources that are available.

Acknowledgements:

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Cheryl Cowperthwaite, *Acting Passenger Transport manager, CCC*; Gordon Moore, *NoWcard Project Manager, CCC*; George Scrymgeour, *Lancashire County Council & Blackburn with Darwen & Blackpool Borough Councils*; Graham Whiteley, *Passenger Transport Project Officer, CCC.*; Cheshire, South and West Yorkshire County Councils.

Terminology:

NoWcard – North West Smartcard

ENCTS – English National Concessionary Travel Scheme

ITSO – Integrated Transport Smartcard Organisation

STR – Stored Travel Rights

CIVITAS – European Funding Initiative for Urban Transport

4 Methodology

- 4.1 As part of their preparation and understanding members initially considered a copy of the consultant's business plan, and sought examples of good practice from other local authorities including Lancashire County Council, South and West Yorkshire County Councils, Cheshire County Council. This included looking at any plans for extensions to the operations of other authorities.
- 4.2 Witness sessions with NoWcard representatives, bus operators, consultants and project manager, were arranged. The aim of the discussions was to gain a better understanding of the history of the NoWcard development programme and to gauge how the current system is working and the potential for future developments.
- 4.3 Members were able to gather evidence on the current administration of the NoWcard system by visiting the administration centre in Preston, Lancashire and interviewing those directing the project and direct observation.
- 4.4 Whilst recognising this would be a relatively short and limited piece of scrutiny, members wanted to ascertain what the implications would be for a continued roll-out of the NoWcard scheme, and investigate the options for extending the technology for the benefit of the community and the council.
- 4.5 *Limitations of the review:* Due to members' other commitments it was not possible to arrange a task group meeting with bus operators within the timeframe of this review. Nonetheless, the Project Manager, George Scrmgeour who manages the NoWcard Preston back-office operation was able to provide a bus-operator's perspective. He has had previous experience as a Bus operator in Greater Manchester and currently provides extensive customer support to all bus-operators signed up to the NoWcard scheme.

5 Findings

Examples from other authorities

- 5.1 In Yorkshire a smart card travel system called YorCard is being developed between South and West Yorkshire and is being piloted in Sheffield. At present many of the existing travel tickets available in the area are available through the Yorcard for example the student concessionary travel pass (for 16 – 18 year olds in full time education). However the authorities are planning to extend this smart card scheme further. Below is a list taken from www.yorcard.com showing the developments they are working towards:

- ***No cash required*** - *Passengers will have pre-paid credits or stored travel rights on their card, which can be used to pay for single or return fares. The Yorcard account can be automatically debited when you board, so there is no need to worry about needing spare change. This makes it more secure for schoolchildren and the elderly who may prefer not to carry cash.*

- **Online ticket purchasing** - This website will offer you the facility to top up your Yorcard with credit as the technology develops. Please keep an eye on the [Latest News](#) page for more information.
- **Automatic top-ups** - You also don't need to worry about topping up your card. When your account reaches a certain level, it can be set to top-up automatically to a pre-determined amount by Direct Debit.
- **Carnets** - We intend to offer 'books,' known as carnets, of ten popular tickets such as 'Day Trippers' that can be loaded electronically onto the Yorcard.
- **Rewards** - The technology allows for rewards and credits to be added to your Yorcard account throughout any loyalty schemes the operators may be promoting.
- **Fraud Prevention** - Operators will be able to accurately charge the appropriate fare for journeys and eliminate the risk of fraud.

5.2 Cheshire County Council also has a stored travel rights scheme in operation, although at present this is not an ITSO scheme. The Cheshire Travel Card can be used by people and topped up in multiples of £5 up to £50, and entitles the user to a discount of up to 10% on many local services. This discount is funded by the bus operators, whilst the County Council fund the production and issuing of the cards and the back office support.

5.3 Cheshire County Council have also introduced as a pilot, 10 trip disposable smart cards, and suggest these could be used for specific groups such as university students. They highlight many benefits to having stored travel rights on smart cards, such as the information gathered on usage and popularity of routes etc, the facility to cancel cards if they are lost so helping prevent the misuse of cards, and the ability to target certain routes or groups for discounts e.g. hospital routes.

Task Group meeting 9 January 2009

5.4 At the first task group meeting the Passenger Transport Project Officer (GW) explained to Members that at present the NoWcard project is consolidating where it is with travel concessions, and in the future the main thing that will constrain its wider use is the capacity of the current technology. He explained that the motherboards in the ticketing machines on the buses only have a limited capacity and at present are being upgraded to increase that capacity - however this process of upgrading will have a long lead time.

5.5 GW continued to advise the group that at present the NoWcard scheme only has a conditional certification by ITSO and that it is moving towards full certification in summer 2009 when the system will be fully up to specification and functioning.

- 5.6 The second area that was discussed was the HOPS system – the secure back office function required for the scheme. Originally the scheme began using the Royal Bank of Scotland (RBS), however RBS have since decided that they did not want to continue with this despite having invested a great deal in the systems etc to support this project but have not been able to attract as large a share of the market as they were hoping. Therefore the County Council's agreement has been transferred to Logica.
- 5.7 GW advised the group that the NoWcard –travel smartcard began in Cumbria in 2000, and that Wayfarer (ticket machine provider) worked with consultants MVA to develop the scheme in line with the Government's requirements that any such scheme be ITSO compliant (the provision of the Government grant hinged on this). (*ITSO is a Government agency and their software has crown copyright*)
- 5.8 The Group was advised that the England National Concessionary Travel Scheme (ENCTS) was predicated by government on the basis of using ITSO smart cards, but the Department did not rationalise the number of schemes in the country to make smart operation simpler. Indications are that by 2011 it will be the shire counties that will be made into the concessionary travel authorities, unlike at present where there are over 250 schemes in place that all need to be workable within the technology.
- 5.9 The NoWcard programme is using Lancashire County Council's in-house IT team to deliver the back office support function.
- 5.10 Members queried whether the County Council is in a position to move forward at this particular time with regards to new technology. GW responded that much of what we want to do will have to wait until later in 2009, however stored travel rights is something that is currently possible, for example the authority could look at stored travel rights for young people as Lancashire are piloting. Lancashire has implemented such a scheme with support from Civitas and EU funding.
- 5.11 Cumbria has the technology to look at rolling something similar out in Carlisle at present (these bus ticketing machines have been upgraded already, whereas those in other areas of the county are still in the process of being upgraded).
- 5.12 It was queried why the cards will not include a photograph of the card-holder and in response it was stated that Lancashire had a desire to make the scheme as accessible as possible. By not including a photograph on the card they are both easier to order and cheaper to produce in the back office.
- 5.13 In addition to the stored travel rights for young people on buses, members were also told that the authority is keen to look at piloting a similar scheme on the coastal rail line for young people, and that they have already approached Northern Trains to discuss the practicalities and implications of such a scheme. The reason for choosing this particular line rather than the rail network generally is that many students from both the University of Cumbria

and West Lakes College use these trains and as such, would benefit from it most.

- 5.14 The discussion returned to the use of smartcards on buses. Members noted that the discount being offered in Preston/South Ribble is a commercial discount from the bus operators (there are currently three operators equipped to take smartcards). However with this pilot still being in the very early stages the bus operators do not have enough information to gauge how this scheme is affecting their businesses and as such whether they would be willing to undertake similar offers in other areas.
- 5.15 A member highlighted however one of the key concerns for bus operators is the cost of handling money, as this is resource intensive. Smartcard transactions would reduce the amount of cash which is being handled and accordingly, this reduces the cost implications for operators in particular.
- 5.16 It was stated that in addition to reducing the money handling aspect of transactions, a further benefit to smartcards is that they reduce the time taken at bus stops and as such make for a quicker transit. Officers believe that from preliminary discussions with Stagecoach, they could be interested in introducing another smartcard scheme elsewhere.
- 5.17 Members considered the level of discounts currently offered by bus operators. It was noted that the discount in Preston is 10%, and it is unlikely any bus companies would offer a higher commercial discount than this. However if the Council felt that this was not enough discount for target groups, (e.g. young people), the public sector would have to fund the difference themselves, thereby having further unquantified cost implications for the authority.
- 5.18 A further concern which was voiced by members is that of the geographical nature of Cumbria, many young people do not have access to conventional public transport and as such this scheme would certainly not benefit all young people.
- 5.19 From the information the group had received so far, it was suggested that there are a one/two strategic issues the Council needs to consider, in planning for the future, the main one of which is the technology. In members' view it is essential that limitations of the motherboard capacity do not happen again.
- 5.20 A long term view needs to be taken on the choice of technology we use; for example for the next 5 years or for the lifetime of the equipment. It is essential that the Council is not trapped in a situation where it wants to develop further schemes but is unable to do so because of the limitations of the current technology and capacity.
- 5.21 Members were advised that the Council is about to buy new machines for small bus operators and will be ensuring that this equipment is sophisticated enough to meet the authority's needs for the foreseeable future. Project officers are currently trying to ensure that *all* operators are 'smart' enabled.

Further smart ticket machines are being purchased for those small operators not already equipped. In addition to the practicalities of having everyone smartcard enabled, there are added benefits in terms of collating better quality data on travel patterns, numbers of people travelling, and categories of user etc.

- 5.22 As well as improved front-line technology, it was also pointed out that the back office systems must be capable of handling anything the authority needs it to do. Project officers agreed and discussed further the situation with RBS and the current provider. Task group members were advised that NoWcard had recently won an award for innovation; however this has come at a cost to the authorities in terms of the time and resource that has been dedicated to this project in order to bring it to its current position.
- 5.23 Other types of smartcard which are possible to develop for the future were also discussed by members, from very simple disposable ones that may be suitable for several days use, (for example tourists visiting the Lake District), to the far more complex smartcards such as the NoWcard that have a far greater capacity and durability.

Task Group meeting 28 January 2009 – Held at the offices of Lancashire County Council, Preston

- 5.24 Members were informed that Cumbria and Lancashire County Councils are regarded as pioneers in their development of the NoWcard programme. Originally started in Cumbria – the scheme had to be broadened to other authorities to become economically viable and to benefit from economies of scale. It was important to involve a number of bus companies big enough to run a back office operation.
- 5.25 £800k funding was originally provided from the ‘Bus Challenge’ monies and since the early days, the partnership between Cumbria County Council, Lancashire County Council, Blackburn with Darwen and Blackpool unitary authorities has gradually gone forward and developed.
- 5.26 Unlike Cumbria County Council, Lancashire’s IT support has remained in-house and accordingly the authority has been able to benefit from the necessary ongoing research and development and IT support for the NoWcard software programmes and hardware. Having an in-house IT provider, Lancashire is able to provide this vital support service more cost-effectively than Cumbria which has a strategic ICT contract with Agilisys.
- 5.27 The IT development programme has been complex, so far over 30 versions of the NoWcard software programme have been trialed and whilst this system is now very good, there are still ‘glitches’ IT problems with the technology which is being driven by ITSO.
- 5.28 Lancashire County Council’s IT Department also hosts the necessary back office support which includes electronic data transfer and management

systems for small (bus) operators. Every smartcard bus transaction is encrypted to the back office.

- 5.29 In addition to the need to link with sufficient bus operators, the NoWcard programme must comply with the government's Integrated Transport Smartcard Organisation (ITSO) standard which is managed by wide range of agencies from within the industry. These include representatives from the bus and train industry, local authorities, card technology IT, and all led by the Department for Transport. Everything has to be ITSO compliant between all providers.
- 5.30 Project officers admitted the development of the programme and support systems has been a very complex and long process – and it has proved difficult to meet the necessary ITSO standards. According to GM, the NoWcard remains at the forefront having brought 8 major bus companies on board from the very beginning. A standard minimum level of technology was agreed upon as a starting point and welcomed by bus operators. A management system, led by Cumbria and involving the three other authorities was set up and linked to a matrix system.
- 5.31 Trust between all authorities and the bus operators have been built up and according to the Passenger Transport Project Officer (CCC), the bus companies respect the integrity of the local authorities. Within the partnership authorities there is recognition that each council will have its own local needs and priorities.
- 5.32 Any joint business arrangements will need to reflect this. For example:-

Lancashire County Council -*student travel*; Blackpool-*Tourism/Visitors*; Cumbria -*Young People/Tourism* etc. The joint partnership board which represents the local authorities and operators meet every six weeks.
- 5.33 The intermediate standard of software partially meets the ITSO standard. It does most of the functionality and is good enough for concessionary travel for Lancashire and Cumbria. GM maintains the partnership is very close to putting in fully certified software. This will also provide additional memory for GPS etc.
- 5.34 There are now nine major bus operators on board GS acknowledged the project has been an uphill struggle, particularly with the early development of the technology, support systems and the level of support which has been required for bus drivers. Nonetheless the bus operators have generally remained supportive. Things are gradually getting better, however the project managers are not completely satisfied with the data flow and accuracy of information coming from some of the ticket machines. There are still some teething problems that need to be ironed out.
- 5.35 Blackpool went live on 1 September 2005 – they were particularly keen, and had a good IT manager. There were a lot of technical background problems at first – again driver training was a big issue. Blackpool is the first authority to get the National English Concession enabling them to process nearly all

English Travel Cards. GM believes they will have fully certified software in 2009.

- 5.36 Lancashire has also built their own Go Now software for young people for the first time in England, having agreed a 10% discount (concession) from the bus operators. One of the big bug-bears when setting up such a scheme is that the County Council has to have an agreement and joint venture (to manage it). There is a financial limitation set by the Financial Services Authority (FSA) beyond which an authority will be required to go through a bank.
- 5.37 The Project manager (Lancashire) was asked whether the operation with the major bus companies had been grant aided. In reply it was explained that four authorities have ended up subsidising each ticket machine to the sum of £500 each machine (value £1,200 each) plus the core of the back office costs. Each depot requires at least one 'depot reader' therefore in a small depot with four buses; the cost will be in the region on £6k.
- 5.38 The partnership however, is able to recover almost all the revenue costs of the NoWcard operation from the districts, whilst paying some of the costs for management information on their contracted services. It was explained that since 2002 in Cumbria – with concessionary contractors and a combined fleet of 24 vehicles, the partnership now deals with over 70 concessionary contractors, half of which have the new ticket machines. The key job now is to get the other operators fitted out to the new standards.
- 5.39 As contracts move from one operator to another, so the ticket machines move, as the County Council retains ownership of the machines. In answer to a question from SC, GM replied that there could be a problem with changing authorities. In the past, systems had to be changed following a decision to move payments from the issuing authority to the authority of boarding!
- 5.40 New smartcard software will be capable of putting boundaries in for the first time. Conversely, the same software can also be used to take boundaries out. This can be sorted in the back office – although this is more likely to be an issue for the new unitary councils.
- 5.41 Lancashire County Council is considering the extension of Stored Travel Rights as a concession for adult fare payers. On those bus routes that are well used such as key tourist routes - there would be little incentive to bus operators to extend a concession.
- 5.42 Accordingly, the partnership board has been looking for alternative markets to offer discounts such as the youth market that would have less of an impact on operators.
- 5.43 Some members like the idea of a day ticket, something which could be used by tourist – could this be stored on the NoWcard and used by someone accompanying the Nowcard holder? Members were reassured that if a young

person is accompanied by a parent, one fare could be paid at the appropriate discount and one at the full price.

Back Office Operation

- 5.44 Task Group Members were given a guided tour of Lancashire County Council's (NowCard) back office operation.
- 5.45 They were shown the computer operations desk where detailed bus fare information from all bus routes operating the NoWcard in Cumbria and Lancashire are collated and stored. At the end of every 4 week accounting period there will be a net settlement with all bus operators and subsidising authorities.
- 5.46 A brief detailed explanation of the ticket machine operation and routing capability was given to Members. Operators have the capability of putting their own tickets in to the system and make programme changes – pertinent to a route.
- 5.47 As a result of the back office work, data can be sent to operators and local authorities on the type of passengers carried, the income, and number of journeys made over which route. This sort of data could prove to be a valuable source of information for a wide range of public services purpose.

6 Future NowCard Developments

- 6.1 The NoWcard project manager believes there will be opportunities in the future to broaden uses for the NowCard, including a capacity to store money for a variety of purposes (e-purse capability).
- 6.2 However, it must be recognised that any such proposals should first be clearly set out and a business case drawn up with timescales. Consideration may need to be given to setting up a joint venture (with stagecoach for example) for putting money onto cards.
- 6.3 It will be important to adopt a collaborative and co-operative approach from the outset and to take an incremental approach, spanning a period of time. There are a range of issues including IT, software/hardware research and development, back-office support, local public reaction; publicity and promotion; driver training, customer support etc. etc., all of which will need to be considered. "Consultation is the name of the game". Whatever scheme or project is decided upon, it should be recognised that this would not be a short-term experience.
- 6.4 The Passenger Transport Project Officer maintains that to deliver any smartcard enhancements will require the identification of additional resources, both financial and technical - not only for start up but also for continuity purpose.

- 6.5 Local Authority ownership of any new scheme will need to be captured. Stagecoach will develop their own commercial schemes, whilst leaving the concessions-type scheme (ie Young persons' STR) in the hands of the local authorities' partnership. "The more support which can be provided by the Local Authority the better. "The NowCard partnership will retain the ownership of the programme otherwise officers/partners will be led by the operators."

7 Conclusions

- 7.1 The NoWcard – transport smart card system has been pioneered in Cumbria and Lancashire for the past nine years and today provides a system which is recognised nationally and upon which future smartcard applications can be built. It has been suggested however that any future developments for a Smart-Cumbria should be seen in the context of a medium to long-term vision.
- 7.2 The County Council's decision to invest in smart card technology has been vindicated by the government's decisions to introduce firstly local free travel in April 2006 and, from 1 April 2008, national free travel using smart cards (with certain conditions). NoWcard was recognised as the leading "ITSO" scheme in England. ITSO had been adopted by the government as its mandatory technical standard for smart card schemes. *NoWcard was the recent recipient of an award for Innovation at the UKBUS 2008 Awards.*
- 7.3 Any new applications of the NoWcard scheme has to be developed on a business case approach (with a number of options if appropriate). This will need to consider the full research, development and set-up costs, ICT, partnership arrangements, back office support, risks, sustainability, publicity, etc. Above all, consideration of any extended use of the NoWcard has to be mindful of the cost implications to the authority.
- 7.4 In the meantime there is potential scope for extending the NoWcard concessionary fares model on the buses and trains to schoolchildren and students. This is about the development and implementation of an Integrated Transport Ticketing System. Also in some members' view anything which will reduce the handling of cash (small cash) may be the way forward.
- 7.5 In the longer-term whilst it would be possible to develop a smartcard with cash carrying capability for a variety of small money transaction purposes (such as purchasing other local authority services - e.g. at libraries or swimming pools), or for traveling and tourist-related journeys, etc., Members were advised however developments such as a County "Citizen's" card i.e. the Library function, would itself be a major undertaking in terms of equipment (for all libraries) and costs.
- 7.6 The cards that are currently used, and the next generation of cards, have an inbuilt capacity to incorporate other functions, subject to some constraints.

The use of cards for other STR purposes, such as car parking, or more importantly buying small services such as shop/café purchases, would require a second function remote from bus use. This is partly due to FSA approval limits (Small shop purchases are rapidly swept up by banks through Visa and Mastercard).

- 7.7 Parking is not a county function and it has been suggested that there are mechanisms (eg CIEP) that could better explore integration and efficiencies, such as smart services. Such a scheme, whilst technologically possible, could involve 6 District Councils, 2 National Parks and the National Trust amongst others, and as such, getting a viable working scheme with buy-in from all parties would need to be seen as a long term project.
- 7.8 One or two examples found in Yorkshire and Cheshire is exploring stored travel rights on the smart card – making it safer and easier for young people and the elderly. Yorkshire is also looking at on-line ticket purchasing, offering a 'top-up' facility and automatic top-up via Direct Debit. CIVITAS (EU) are funding the Preston/South Ribble scheme.
- 7.9 Any extension of Stored Travel Rights as a concession for adults (i.e. over 24s) will be a matter for delivery by the operators on a commercial basis. They will set the discount, if any, taking into account any gain or loss in commercial revenue and other peripheral benefits such as improved boarding and reduced cash handling, particularly on the well-used routes. On such routes there would be little incentive to bus operators to extend a concession beyond 10%. However this may well be tempered by increased passenger numbers.
- 7.10 It seems extremely unlikely particularly in the current financial climate, that the county council would be able to fund adult STR. As already noted, Stagecoach is considering being more proactive in developing its own smart products, but this has yet to be clarified.
- 7.11 Cumbria has the technology to look at rolling out stored travel rights for young people in Carlisle (their bus ticketing machines have been upgraded already, whereas those in other areas of the county are still being upgraded out).
- 7.12 Members believe it is very important to plan now for the sort of technology which will be required to deal with future applications/uses for the NoWcard. Old machines need to be replaced by new technology – or at the very least, by new technology which is capable of being updated.
- 7.13 A long term view needs to be taken on the choice technology we are using; for example for the next 5 years or for the lifetime of the equipment? It is essential that the Council is not trapped in a situation where it wants to develop further schemes but is unable to do so because of the limitations of the current technology and capacity.
- 7.14 **SMART technology is not cheap to set up – although given the long and difficult design and development process which has been gone through and given the ticket machines are already on the buses, this would ease**

any future initial set up costs. The underlying message from the NoWcard project managers is that for any new project, it will take time to go through all the necessarily rigorous development stages before arriving at a fully functioning and reliable product/service.